

Message Text

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ACTION EA-06

INFO OCT-01 SS-14 ISO-00 INR-05 L-01 SP-02 NSC-05 NSCE-00

CIAE-00 DODE-00 PM-03 PRS-01 AF-04 USIA-01 EB-03 H-01

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 3051

S E C R E T JAKARTA 3010

LIMDIS

EO 11652: GDS

TAGS: PFOR ID US

SUBJ: US-INDONESIAN CONSULTATIONS

REF: (A) JAKARTA 2855, (B) JAKARTA 2857

1. VOA BROADCAST HEARD HERE MORNING OF MARCH 5 ANNOUNCED FORTHCOMING TRIP OF SECRETARY TO AFRICA LATTER PART OF APRIL. IF THIS IS ACCURATE, ASSUME THAT IT WILL CONFLICT WITH APRIL 20-25 DATES PROPOSED FOR US-INDONESIAN CONSULTATIONS IN WASHINGTON AND THAT WE HALL THEREFORE HAVE TO PROPOSE NEW DATES. MALIK SEEMS SET ON APRIL DATES BUT WE HAVE FEELING COULD BE PERSUADED ACCEPT JUNE DATES. PLEASE ADVISE.

2. FONDEPT AMERICAN DIRECTORATE CHIEF KUSUMASMORO HAS INFORMED US THAT, WHILE VERY PRELIMINARY DISCUSSIONS RE AGENDA HAVE TAKEN PLACE WITHIN GOI, INDONESIANS DO NOT PLAN TO SUGGEST TOPICS TO US UNTIL DATES ARE CONFIRMED. (SEPARTELY, MALIK'S SPECIAL ASSISTANT SOEMARJO SAID TOPICS WOULD BE IN POLITICAL AND ECONOMIC FIELDS BUT DID NOT ELABORATE.) KUSUMASMORO ADDED THAT IT NOT YET CLEAR WHETHER DELEGATION WOULD INCLUDE MEMBERS FROM BAPPENAS OR WHETHER ECONOMIC TALKS WOULD BE HANDLED

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EXCLUSIVELY BY FONDEPT ECONOMIC OFFICIALS. SINCE

MANY OF PRINCIPAL INDONESIAN ACTORS ARE ON SICK LIST
(REF B) WE ARE UNLIKELY TO GET MORE FROM GOI ON
PROPOSED AGENDA OR MAKE-UP OF INDONESIAN DELEGATION,
AT LEAST UNTIL WE CAN CONFIRM DATES OF MEETING.

3. FOLLOWING SUGGESTS HOW VISIT OF INDONESIANS COULD
BE HANDLED IN WASHINGTON AND OUR BEST ESTIMATE
OF WHAT INDONESIANS WILL WANT TO DISCUSS:

A. OPENING SESSION ON FIRST DAY FOLLOWED BY A
LUNCHEON, BOTH CHAIRED AND HOSTED BY THE SECRETARY HIM-
SELF.

B. ONE FURTHER RESTRICTED MEETING BETWEEN THE
SECRETARY AND FOREIGN MINISTER MALIK AT THE END OF THE
FOUR-DAY PERIOD. (A AND B WOULD INVOLVE SECRETARY
THUS IN THREE EVENTS.)

C. ON DAYS TWO AND THREE SEPARATE MEETINGS BETWEEN
APPROPRIATE MEMBERS OF BOTH DELGATIONS ON INDIVIDUAL
TOPICS PLUS CALLS MINISTER AND DELEGATION MAY WISH ARRANGE
WITH CONGRESS.

D. ON LAST DAY FINAL JOINT SESSION AT THE WORKING
LEVEL CHAIRED BY ASSISTANT SECRETARY HABIB.

4. ISSUES OF PROBABLE INTEREST TO THE INDONESIANS:

BILATERAL ISSUES

A. MILITARY AND ECONOMIC ASSISTANCE. WE BELEIVE WE MUST
EXPECT AT LEAST SOME GENERAL DISCUSSION OF THIS TOPIC, ALTHOUGH,
AS WE HAVE ALWAYS MADE CLEAR TO THE GOI, SPECIFICS SHOULD BE
DEALT WITH BY APPROPRIATE DOD AND AID OFFICES. DEPENDING ON
SITUATION AT TIMOR AND HUMAN RIGHTS ISSUE, ESPECIALLY WITH
RESPECT TO AID LEGISLATION, THIS COULD BE AN IMPORTANT TOPIC.

B. PROSPECTS FOR REMOVAL OF THE TRADE ACT GSP EXCLUSION.

C. INVESTMENT CLIMATE IN INDONESIA (PRESUMABLY THE
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INDONESIANS WILL WISH TO EMPHASIZE THAT THE GOI HAS NOT
TURNED SOUR ON FOREIGN INVESTMENT). WE COULD TAKE THIS
OCCASION TO REVIEW CONCERNS WE MAY HAVE ON SUBJECT.

BROADER ISSUES

A. WHITHER ASIA, AND PARTICULARLY SE ASIA, IN FUTURE.
SPECIFICALLY,

(1) HANOI'S PLANS AND INTENTIONS.

(2) EVOLUTION OF INDOCHINA, INCLUDING THE RELATIONSHIP
BETWEEN PRO-MOSCOW HANOI AND PRO-PPEKING PHNOM PENH.

(3) PROSPECTS FOR MAINLAND SEA NATIONS, APRTICULARLY
THAILAND AND MALAYSIA.

(4) DOMESTIC EVOLUTION IN PRC (THEY MIGHT APPRECIATE OUR
READING OF THE NEW CULTURAL REVOLUTION, ASSUMING IT IS STILL
CONTIMUNING AT THAT TIME).

(5) INTENTIONS OF PRC AND USSR TOWARDS SEA.

(6) US VIEWS ON JAPAN AND KOREA, INCLUDING US FORCE
STRUCTURE.

B. DEPENDING ON THE STATE OF PLAY IN APRIL, THE TIMOR
QUESTION, INCLUDING UN IMPLICATIONS.

C. OTHER UN MATTERS, APRTICULARLY KOREAN QUESTION.

D. "NEW INTERANTIONAL ECONOMIC ORDER," DEPENDING
SOMEWHAT ON COMPOSITION OF ITS DELEGATION, THE GOI MIGHT
DECIDE TO USE THE TALKS AS AN OCCASION FOR A MAJOR PITCH ON
THIS SUBJECT ARGUING FOR A MORE "SYMPATHETIC" US ATTITUDE ON
VARIOUS SPECIFIC ITEMS, INCLUDING:

(1) ENERGY POLICY (PACIFIC LIGHTING CONTRACT, PROFIT
SPLIT NEGOTIATIONS WITH FOREIGN CONTRACTORS).

(2) AIR COMMUNCATIONS ("EQUAL TREATMENT" PRINCIPLE IN
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AIR BILATERAL NEGOTIATIONS; CONCEIVABLY EVEN BAYU AIR ISSUE).

(3) COMMODITIES QUESTIONS (STOCK PILES, PRICING).

5. IN VIEW OF ON-GOING NATURE OF PROBLEMS WHICH WILL BE
DISCUSSED, WE BELIEVE THE AMBASSADOR'S PARTICIPATION, AS
ORIGINALLY PROPOSED WHEN FORMAL BILATERAL COMMISSION CONDISERED,
WOULD BE APPROPRIATE AND USEFUL.
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